100th Congress, 1st Session - - - - - - - - - - House Document 100-95

IMPORT RELIEF

MESSAGE

FROM

THE PRESIDENT OF THE UNITED STATES

TRANSMITTING

NOTIFICATION OF THE DECISION TO GRANT IMPORT RELIEF TO THE DOMESTIC INDUSTRY PRODUCING AMMONIUM PARATUNGSTATE AND TUNGSTIC ACID, PURSUANT TO 19 U.S.C. 2253(b)

AUGUST 5, 1987.—Message and accompanying papers referred to the Committee on Ways and Means and ordered to be printed

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To the Congress of the United States:

Pursuant to sections 406, 202, and 203 of the Trade Act of 1974, as amended (19 U.S.C. 2436, 2252, and 2253), I have determined the action I will take with respect to the report of the United States International Trade Commission (USITC) dated June 5, 1987, concerning the results of its investigation, as requested by the United States Trade Representative, of the domestic industry producing ammonium paratungstate and tungstic acid, provided for in Items 417.40 and 416.40, respectively, of the Tariff Schedules of the United States. In accordance with section 203 of the Trade Act of 1974 (19 U.S.C. 2253), I am hereby reporting to the Congress the actions I am taking and the reasons therefor.

After considering all relevant aspects of the case, including those set forth in section 202(c) of the Trade Act of 1974, I have determined to provide import relief for the domestic industry in the form of an orderly market agreement to be negotiated by the United States Trade Representative. I have determined that relief should be granted, and in a form different from that recommended by the USITC, for the following reasons:

1. The domestic industry has suffered losses in employment, profits, and production.

2. The economic costs of relief in terms of consumer cost, inflationary impact, and national economic welfare would be small, because of the small size and structure of domestic industry.

3. Relief will help maintain a viable domestic processing industry; important because tungsten is a strategic metal, and the legislated national stockpile is based on continued domestic processing capabilities.

4. Imports from China were at very low levels around 1980, but nearly tripled between 1982 and 1986, when they accounted for 85 percent of imports and 17.8 percent of U.S. consumption. Chinese imports as a percent of consumption have risen to 28.6 percent in the first 4 months of 1987.

5. Other countries are considering protecting their producers, which would increase pressure on the U.S. market to absorb additional imports.

6. An orderly marketing agreement is likely to deal more effectively with possible circumvention of the import restrictions.

In addition, I have directed that a review be completed, within 60 days, regarding relevant plans for the operation of the stockpile for the fiscal years 1988 and 1989.

RONALD REAGAN.

THE WHITE HOUSE, *August 5, 1987.*